

# House File 2021 - Introduced

HOUSE FILE \_\_\_\_\_  
BY ZIRKELBACH

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing an income tax credit for a fitness club  
2 membership purchased by a member of the Iowa national guard or  
3 a volunteer fire fighter and including effective and  
4 retroactive applicability date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 5113HH 82  
7 mg/sc/14

PAG LIN

1 1 Section 1. NEW SECTION. 422.11V FITNESS CLUB MEMBERSHIP  
1 2 TAX CREDIT.  
1 3 1. The taxes imposed under this division, less the credits  
1 4 allowed under section 422.12, shall be reduced by a fitness  
1 5 club membership tax credit for members of the Iowa national  
1 6 guard and for volunteer fire fighters. The amount of the tax  
1 7 credit equals twenty-five percent of the contract price paid  
1 8 by the member of the Iowa national guard or volunteer fire  
1 9 fighter, not to exceed one hundred dollars, for membership in  
1 10 or use of services or facilities of a fitness club.  
1 11 2. For purposes of this section:  
1 12 a. "Contract price" means the same as defined in section  
1 13 552.1.  
1 14 b. "Fitness club" means a physical exercise club as  
1 15 defined in section 552.1, except that it includes a physical  
1 16 exercise club owned by a nonprofit organization organized and  
1 17 operating as a nonprofit organization.  
1 18 c. "Volunteer fire fighter" means a volunteer fire fighter  
1 19 as defined in section 85.61 who has met the minimum training  
1 20 standards established by the fire service training bureau  
1 21 pursuant to chapter 100B.  
1 22 3. If a credit is taken under this section, the amount of  
1 23 the credit shall not be considered medical care expenses under  
1 24 section 213 of the Internal Revenue Code for state tax  
1 25 purposes.  
1 26 4. Any credit in excess of the tax liability is not  
1 27 refundable but the excess for the tax year may be credited to  
1 28 the tax liability for the following five tax years or until  
1 29 depleted, whichever is the earlier.  
1 30 5. Married taxpayers who file separate returns or file  
1 31 separately on a combined return form must determine the tax  
1 32 credit under subsection 1 based upon their combined net income  
1 33 and allocate the total credit amount to each spouse in the  
1 34 proportion that each spouse's respective net income bears to  
1 35 the total combined net income. Nonresidents or part-year  
2 1 residents of Iowa must determine their tax credit in the ratio  
2 2 of their Iowa source net income to their all source net  
2 3 income. Nonresidents or part-year residents who are married  
2 4 and elect to file separate returns or to file separately on a  
2 5 combined return form must allocate the tax credit between the  
2 6 spouses in the ratio of each spouse's Iowa source net income  
2 7 to the combined Iowa source net income of the taxpayers.  
2 8 Sec. 2. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.  
2 9 This Act, being deemed of immediate importance, takes effect  
2 10 upon enactment and applies retroactively to January 1, 2008,  
2 11 for tax years beginning on or after that date.

### EXPLANATION

2 12  
2 13 This bill provides an individual income tax credit of 25  
2 14 percent, up to \$100, of the purchase of a membership in or  
2 15 paid for the use of services or facilities of a fitness club.  
2 16 For purposes of the bill, a fitness club is defined as a  
2 17 physical exercise club as defined in Code section 552.1.  
2 18 Examples of physical exercise clubs are facilities commonly

2 19 used for physical fitness or well-being and referred to as  
2 20 health spas, sports and health clubs, tennis clubs,  
2 21 racquetball courts, golf clubs, gymnasiums, figure salons,  
2 22 health studies, and weight control studios. Certain  
2 23 facilities are not included. These include a private club  
2 24 owned and operated by its members, an entity primarily engaged  
2 25 in rehabilitation services, or a facility where the membership  
2 26 is for 30 days or less. The tax credit is only available for  
2 27 memberships purchased by members of the Iowa national guard or  
2 28 by volunteer fire fighters. The tax credit is nonrefundable  
2 29 but can be carried forward for up to five tax years until  
2 30 depleted.  
2 31 The bill takes effect upon enactment and applies  
2 32 retroactively to January 1, 2008, for tax years beginning on  
2 33 or after that date.  
2 34 LSB 5113HH 82  
2 35 mg/sc/14